

Program A: Payments to Private Providers

PROGRAM DESCRIPTION

The mission of the Payments to Private Providers Program is to provide payments to private providers of health services to Louisiana residents who are eligible for Title XIX (Medicaid) and to administer the Medicaid Program to ensure operations are in accordance with federal and state statutes regarding medically necessary services to eligible recipients. Additionally, the Medical Vendor Payments Program assures that reimbursements to providers of medical services to Medicaid recipients are appropriate.

The goals of the Payments to Private Providers Program are:

1. To develop alternatives to institutional care.
2. To screen children for medical, vision, hearing and dental abnormalities.

The Payments to Private Providers Program provides payments to the following providers/services: Inpatient Hospital Services, Outpatient Hospital Services, Long Term Care Facilities, ICF-MR (MR/DD Community Homes), MR/DD Waiver (Community Services), Assisted Living Waiver, Inpatient Mental Health, Psychiatric Rehabilitation, Adult Day Health, Physicians Services, Pharmaceutical Products and Services, Laboratory and Xray Services, Emergency Transportation, Non-Emergency Transportation, Chiropractic Services, Certified RN Anesthetists, Adult Dentures, Appliances and Medical Devices, Home Health Services, Hemodialysis Services, EPSDT (Screening and Early Diagnosis), Case Management Services, Elderly Waiver, Federally Qualified Health Centers, Private Family Planning, Rehabilitation Services, Rural Health Clinics, Substance Abuse Clinics, and Other Private Providers.

OBJECTIVES AND PERFORMANCE INDICATORS

Unless otherwise indicated, all objectives are to be accomplished during or by the end of FY 2001-2002. Performance indicators are made up of two parts: name and value. The indicator name describes what is being measured. The indicator value is the numeric value or level achieved within a given measurement period. For budgeting purposes, performance indicator values are shown for the prior fiscal year, the current fiscal year, and alternative funding scenarios (continuation budget level and Executive Budget recommendation level) for the ensuing fiscal year (the fiscal year of the budget document).

1. (KEY) To increase the number of children/adolescents enrolled in Mental Health Rehabilitation Services in an effort to not exceed a 7.7% recidivism in psychiatric hospitalizations for children/adolescents in the pilot regions.

Strategic Link: This objective implements Goal 1, Objective I.1 of Program A & B, Medical Vendor Payments, of the revised strategic plan: *To increase the number of children/adolescents enrolled in Mental Health Rehabilitation Services in an effort to not exceed a 7.74% recidivism in psychiatric hospitalization for children/adolescents in the pilot regions.*

Children's Cabinet Link: This objective is linked to medical services for Medicaid eligible children funded under the Children's Budget.

L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1999-2000	ACTUAL YEAREND PERFORMANCE FY 1999-2000	ACT 11 PERFORMANCE STANDARD FY 2000-2001	EXISTING PERFORMANCE STANDARD FY 2000-2001	AT CONTINUATION BUDGET LEVEL FY 2001-2002	AT RECOMMENDED BUDGET LEVEL FY 2001-2002
K	Adolescent psychiatric hospital enrollment in the pilot regions	3,372	1,581 ¹	1,644	1,644	1,644	1,644 ³
K	Mental Health Rehabilitation enrollment from the Hospital Admissions Review Process (HARP) Program in the pilot regions	840 ¹	445 ¹	275	275	275	275 ³
K	Percentage of recidivism in psychiatric hospitalization in the pilot regions	Not applicable ²	8.6%	7.7%	7.7%	7.7%	7.7% ³

¹ The decrease in adolescent psychiatric hospital admissions reflects the change from statewide data to data for the two pilot regions (Region 1: New Orleans and Region 7: Shreveport) only. The higher figures were statewide figures. The two regions were chosen because they had the highest utilization of child/adolescent psychiatric hospitalizations in the state.

² This performance indicator did not appear under Act 10 of 1999 and therefore has no performance standard for FY 1999-2000

³ Figures in the Recommended Budget Level column reflect performance standards at a continuation level of funding. The Department of Health and Hospitals will, after sufficient time for analysis of the recommended budget, request an amendment to the Appropriations Bill to correct the performance standards.

GENERAL PERFORMANCE INFORMATION: PAYMENT TO PRIVATE PROVIDERS					
PERFORMANCE INDICATOR	PRIOR YEAR ACTUAL FY 1995-96 ¹	PRIOR YEAR ACTUAL FY 1996-97	PRIOR YEAR ACTUAL FY 1997-98	PRIOR YEAR ACTUAL FY 1998-99	PRIOR YEAR ACTUAL FY 1999-00
Percentage of diverted enrollment	Not available ²	Not available ²	Not available ²	19.7%	28.0%
Total Mental Health Rehabilitation enrollment (all regions)	554	887	1,069	1,464	1,992
Total number served in Mental Health Rehabilitation (all regions)	554	1,279	1,910	2,859	3,804

¹ Mental Health Rehabilitation with prior authorization began in December, 1995. The data reported are based on prior authorization records.

² The HARP Program did not exist during these time frames.

RESOURCE ALLOCATION FOR THE PROGRAM

	ACTUAL 1999- 2000	ACT 11 2000 - 2001	EXISTING 2000 - 2001	CONTINUATION 2001 - 2002	RECOMMENDED 2001 - 2002	RECOMMENDED OVER/(UNDER) EXISTING
MEANS OF FINANCING:						
STATE GENERAL FUND (Direct)	\$417,489,718	\$524,288,359	\$524,288,359	\$583,167,603	\$490,149,499	(\$34,138,860)
STATE GENERAL FUND BY:						
Interagency Transfers	12,161,864	777,627	777,627	777,627	777,627	0
Fees & Self-gen. Revenues	6,500,000	5,000,000	5,000,000	5,000,000	58,402,338	53,402,338
Statutory Dedications	194,060,629	136,283,967	136,283,967	112,678,229	109,491,164	(26,792,803)
Interim Emergency Board	0	0	0	0	0	0
FEDERAL FUNDS	1,533,532,508	1,603,199,911	1,603,199,911	1,684,580,641	1,641,444,221	38,244,310
TOTAL MEANS OF FINANCING	\$2,163,744,719	\$2,269,549,864	\$2,269,549,864	\$2,386,204,100	\$2,300,264,849	\$30,714,985
EXPENDITURES & REQUEST:						
Salaries	\$0	\$0	\$0	\$0	\$0	\$0
Other Compensation	0	0	0	0	0	0
Related Benefits	0	0	0	0	0	0
Total Operating Expenses	0	0	0	0	0	0
Professional Services	0	0	0	0	0	0
Total Other Charges	2,163,744,719	2,269,549,864	2,269,549,864	2,386,204,100	2,300,264,849	30,714,985
Total Acq. & Major Repairs	0	0	0	0	0	0
TOTAL EXPENDITURES AND REQUEST	\$2,163,744,719	\$2,269,549,864	\$2,269,549,864	\$2,386,204,100	\$2,300,264,849	\$30,714,985
AUTHORIZED FULL-TIME EQUIVALENTS: Classified	0	0	0	0	0	0
Unclassified	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

SOURCE OF FUNDING

This program is funded with General Fund, Interagency Transfers, Fees and Self-generated Revenues, Statutory Dedications, and Federal Funds. Interagency Transfers originate from the Department of Social Services, Office of Family Support for Refugee Medical Vendor payments and Office of Community Services for the processing and all state funded payment of Non-Title XIX Foster Care Medical Vendor claims. Self-generated Revenues derived from the recovery of payments made when Third Party Insurance can be accessed. The Statutory Dedications are the Louisiana Medical Assistance Trust Fund which derives its funding source from the collection of provider fees from varying medical providers in the state based on corresponding per bed per day rates and the Louisiana Fund payable out of funding received pursuant to the Master Settlement Agreement reached between certain states and participating

tobacco products manufacturers in November, 1998. (Per R.S. 39:32B.(8), see table below for a listing of expenditures out of each statutory dedicated fund.) Federal Funds represent federal financial participation in the Medicaid program. Prior years' revenues included interagency transfers of pool funds from Medicaid collections and excess provider fees collected.

	ACTUAL	ACT 11	EXISTING	CONTINUATION	RECOMMENDED	RECOMMENDED OVER/(UNDER)
	1999- 2000	2000 - 2001	2000 - 2001	2001 - 2002	2001 - 2002	EXISTING
Louisiana Medical Assistance Trust Fund	\$93,566,625	\$92,493,594	\$92,493,594	\$84,630,366	\$81,443,301	(\$11,050,293)
Louisiana Fund	\$100,494,004	\$43,790,373	\$43,790,373	\$28,047,863	\$28,047,863	(\$15,742,510)

ANALYSIS OF RECOMMENDATION

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
\$524,288,359	\$2,269,549,864	0	ACT 11 FISCAL YEAR 2000-2001
			BA-7 TRANSACTIONS:
\$0	\$0	0	None
\$524,288,359	\$2,269,549,864	0	EXISTING OPERATING BUDGET – December 15, 2000
\$13,449,385	\$46,609,347	0	Workload Adjustments - Utilization increases in pharmaceuticals, hospitalization, physicians services, and medical equipment
\$5,617,640	\$27,072,962	0	Other Annualizations - Costs of providing medical care to the new eligibles under the LaCHIP expansion
(\$53,402,338)	\$53,402,338	0	Other Adjustment - Intergovernmental Transfer
(\$10,901,010)	(\$36,778,034)	0	Other Adjustment - Reduction to private pharmacies for dispensing fees, pre-approvals, and limited prescriptions
(\$1,585,740)	(\$5,350,000)	0	Other Adjustment - Reduction of private outpatient interim reimbursements
(\$453,771)	(\$1,530,942)	0	Other Adjustment - Reduction to mental health outpatient reimbursement rates
(\$1,016,652)	(\$3,430,000)	0	Other Adjustment - 2% reduction in Intermediate Care Facilities and Mental Retardation rates
(\$1,926,600)	(\$6,500,000)	0	Other Adjustment - 2% reduction of inpatient hospital rates
(\$949,760)	(\$3,200,000)	0	Other Adjustment - Increase in children's qualification threshold for inpatient care
(\$2,145,875)	(\$7,239,795)	0	Other Adjustment - Reduction to meet target dollars
\$15,742,510	\$0	0	Net Means Of Financing Substitutions - Replace Statutory Dedications, Louisiana Fund - Tobacco Settlement, with State General Fund
\$3,433,351	\$0	0	Net Means Of Financing Substitutions - Replace Federal Funds with State General Fund in response to the change in the Federal Medical Assistance Percentage (FMAP)
\$0	(\$32,340,891)	0	Other Non-Recurring Adjustment - Cost settlement funded by amendment in FY 00-01
\$490,149,499	\$2,300,264,849	0	TOTAL RECOMMENDED
\$0	\$0	0	LESS GOVERNOR'S SUPPLEMENTARY RECOMMENDATIONS

\$490,149,499 \$2,300,264,849 0 BASE EXECUTIVE BUDGET FISCAL YEAR 2001-2002

SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE:

\$0 \$0 0 None

\$0 \$0 0 TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE

\$490,149,499 \$2,300,264,849 0 GRAND TOTAL RECOMMENDED

The total means of financing for this program is recommended at 101.4% of the existing operating budget. It represents 84.0% of the total request (\$2,738,867,657) for this program. The major changes that provided the \$30 million increase from the existing operating budget is increased utilization of services and increased support for the LaCHIP program.

PROFESSIONAL SERVICES

This program does not have funding for Professional Services for Fiscal Year 2001-2002.

\$0 TOTAL PROFESSIONAL SERVICES

OTHER CHARGES

Payments to private medical providers for the provision of the following medical services to patients enrolled in the State's Medicaid program:

\$2,578,432	Adult Dentures
\$12,006,503	Case Management Services
\$4,514,570	Certified Registered Nurse Anesthetists (CRNA's)
\$27,671,368	Durable Medical Equipment
\$56,074,133	Early and Periodic Screening, Diagnosis and Treatment (EPSDT)
\$8,657,003	Family Planning
\$4,687,535	Federally Qualified Health Centers
\$20,212,132	Hem dialysis Services
\$22,254,568	Home Health Services
\$430,122,519	Hospital - Inpatient Services
\$117,874,080	Hospital - Outpatient Services
\$171,422,687	Intermediate Care Facilities - Mental Retardation (Community Homes for the Mentally Retarded/ Developmentally Disabled)
\$43,736,016	Laboratory and X-Ray
\$7,094,264	Mental Health - Inpatient Services
\$18,041,148	Mental Health - Rehabilitation
\$498,455,213	Nursing Homes

\$424,997,653	Pharmaceutical Products
\$244,936,035	Physicians
\$1,637,917	Rehabilitation
\$8,401,674	Rural Health Clinics
\$17,279,579	Transportation - Emergency
\$15,619,106	Transportation - Non-Emergency
\$2,189,774	Waiver - Adult Day Health
\$3,095,000	Waiver - Children's (Capped Children MR/DD Waiver)
\$4,198,293	Waiver - Elderly & Disabled Adult
\$119,705,351	Waiver - Mentally Retarded/ Developmentally Disabled (Home Based Services)
\$12,802,296	Other Private Providers

\$2,300,264,849 SUB-TOTAL OTHER CHARGES

Interagency Transfers:

This program does not have funding for Interagency Transfers for Fiscal Year 2001-2002.

\$0 SUB-TOTAL INTERAGENCY TRANSFERS

\$2,300,264,849 TOTAL OTHER CHARGES

ACQUISITIONS AND MAJOR REPAIRS

This program does not have funding for Acquisitions and Major Repairs for Fiscal Year 2001-2002.

\$0 TOTAL ACQUISITIONS AND MAJOR REPAIRS